

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3498
ANSWERED ON:16.12.2005
INSURANCE AT STATE EXPENSES
Rawat Shri Kamla Prasad

Will the Minister of FINANCE be pleased to state:

(a) whether there is any scheme under the consideration of the Government for providing minimum insurance cover to every person against injury or death in a road accident, at State expenses, even in cases where it is a hit and run affair; and

(b) if so, the details in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(b) : No, Sir, However, under Section 163 of the Motor Vehicles Act, 1988, a Solatium Fund has been created with contributions from public sector general insurance companies 0.1% of the Motor Premium. The Fund is being utilised for compensating the road accident victims Rs. 25000/- in respect of death and Rs. 12,500/- in case of grievous hurt, where the identity of the vehicle causing the accident cannot be ascertained.